GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4077
ANSWERED ON:27.03.2017
Zero Tariff Bidding for CGD Network
Jaiswal Dr. Sanjay

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government is aware that there has been instances of almost near zero tariff bidding during bidding rounds for City Gas Distribution;
(b) if so, the details thereof;
(c) whether the Government proposes to reintroduce cross subsidies between the marketing margin and network tariff in this regard; and
(d) if so, the details thereof and if not, the reasons therefor?

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Answer

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)
(a) & (b): Petroleum & Natural Gas Regulatory Board (PNGRB) has completed 7 rounds of City Gas Distribution (CGD) bidding for award of development of CGD networks in different parts of the country. Out of total 49 Geographical Areas (GAs) awarded through bidding, 41 GAs have received near Zero Network tariff bids.
(c) & (d): The network tariff quoted by the successful bidder authorized by PNGRB is applicable for the use of authorized CGD network by the third party gas marketing entity after the expiry of exclusivity period of the former. The Government does not regulate the market margin with respect to customer of CGD network entities.
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